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88-9698
A. C. L.

OGC Has Reviewed

DR: 6-1128

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MEMORANDUM FOR: Acting General Counsel

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SUBJECT : Financial Obligations of Mr. [REDACTED]

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1. I have been briefed by Mr. [REDACTED] on the latest developments in this case and I am in complete agreement with the present course of action wherein you are writing Mr. [REDACTED] to the general effect that his apparent refusal to make the restitution agreed upon, or to furnish reasons why he cannot do so, indicates an intent to default upon a legitimate obligation to the Government and that, therefore, it may be necessary to advise appropriate authorities within Government of his defalcation. I understand that this statement is designed to establish an intangible connection with his present security clearance granted by the Eastern Industrial Security Board. There is some question, however, as to the wisdom of actually pursuing the course of action with which we have inferentially threatened Mr. [REDACTED]. 25X1A9a

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2. If this stratagem fails, I would suggest that you may wish to bring the entire matter to the attention of Mr. [REDACTED]

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Corporation, Roosevelt Field, Long Island, New York, in the interests of a possible solution. Then if this brought no results, I believe we should consider the possibility of initiating legal action to recover the amount even though, in so doing, the Agency might be forced to reveal that it was our initial error that created the whole problem. The status of Mr. [REDACTED] as a former overt employee seems to me to reduce any security considerations that might otherwise preclude effective legal action.

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3. Please continue to keep me advised of developments in this case through copies of your various exchanges with Mr. [REDACTED].

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[REDACTED]
Deputy Director
(Administration)

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